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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

MAY 15 1992

FORM 10-Q

(Mark One)

__X__ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992 or

____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

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Commission file number 0-19239

LAW COMPANIES GROUP, INC.
(Exact name of registrant as specified in its charter)

Georgia	58-0537111
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1000 Abernathy Road, N.E., Atlanta, Georgia	30328
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (404) 396-8000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No_____

The number of shares of Common Stock of the Company, par value $1.00 per share, outstanding at April 30, 1992, was 94,725.

The number of shares of Class A Stock of the Company, par value $10.00 per share, outstanding at April 30, 1992, was 2,593,115.

TOTAL PAGES: 14
EXHIBIT INDEX: 12

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS
LAW COMPANIES GROUP, INC.
(in thousands)

	March 31 1992	December 31 1991
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 7,824	$ 7,706
Restricted cash	1,957	2,582
Billed fees receivable, net of allowance	79,036	70,963
Unbilled work in progress	14,467	26,147
Other receivables	2,513	2,634
Employee advances	1,237	1,214
Prepaid expenses	5,180	5,151
TOTAL CURRENT ASSETS	112,214	116,397
PROPERTY AND EQUIPMENT		
Land and buildings	12,068	11,950
Equipment	25,485	25,379
Automobiles	6,005	6,139
Furniture and fixtures	11,958	12,316
Leasehold improvements	3,666	3,514
	59,182	59,298
Less accumulated depreciation and amortization	27,510	26,206
	31,672	33,092
OTHER ASSETS		
Equity investments	4,475	4,060
Goodwill, net	14,626	14,842
Deposits and other assets	4,277	4,632
	23,378	23,534
	$167,264	$173,023

See accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEETS
LAW COMPANIES GROUP, INC.
(in thousands)

	March 31 1992	December 31 1991
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	$ 215	$ 813
Accounts payable	14,549	13,396
Billings in excess of costs and fees earned on contracts in progress	8,858	9,552
Accrued payroll and payroll taxes	6,662	6,266
Accrued vacation pay	4,965	4,012
Other accrued expenses	15,849	16,735
Income taxes payable	341	1,606
Deferred income taxes	14,268	14,028
Current portion of long-term debt	5,459	5,177
TOTAL CURRENT LIABILITIES	71,166	71,585
LONG-TERM DEBT	43,932	48,723
DEFERRED INCOME TAXES	938	882
MINORITY INTEREST IN EQUITY OF SUBSIDIARIES	360	346
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Class A Common Stock		
Common Stock	2,615	2,615
Additional paid in capital	97	97
Retained earnings	9,545	9,545
Foreign currency translation adjustment	38,924	39,189
Treasury stock	(131)	41
	(182)	
	50,868	51,487
	$167,264	$173,023

See accompanying notes.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
LAW COMPANIES GROUP, INC.
(in thousands, except per share data)

	For the Quarter Ended	
	March 31 1992	March 31 1991
Gross fees	$ 87,406	$ 84,647
Less: Cost of outside services	15,822	16,597
Net fees	71,584	68,050
Direct costs and expenses:		
Payroll	19,931	20,387
Job related expenses	6,721	5,184
GROSS PROFIT	44,932	42,479
Indirect costs and expenses:		
Payroll	17,509	16,988
Other expenses	26,223	23,640
OPERATING INCOME	1,200	1,851
Interest expense	1,047	1,457
Other (income) expense, net	(14)	19
INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND NET INCOME FROM EQUITY INVESTMENTS	167	375
Provision for income taxes	68	158
INCOME BEFORE MINORITY INTEREST AND NET INCOME FROM EQUITY INVESTMENTS	99	217
Minority interest in (income) loss of subsidiaries	(13)	62
Net (loss) from equity investments	(80)	0
NET INCOME	$ 6	$ 279
EARNINGS PER COMMON SHARE	$ Nil	$ .10

See accompanying notes.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
LAW COMPANIES GROUP, INC.
(in thousands)

	For the Quarter Ended March 31 1992	March 31 1991
OPERATING ACTIVITIES		
Net income	$ 6	$ 279
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,933	1,877
Provision for losses on receivables	1,213	779
Deferred income taxes	(58)	68
Undistributed losses from equity investments	80	21
Minority interest in loss (income) of subsidiaries	13	(62)
Loss (gain) on sale of property and equipment	7	(9)
	3,194	2,953
Changes in operating assets and liabilities net of effects of business acquisitions:		
Increase in billed fees receivable	(8,990)	(2,736)
Decrease (increase) in unbilled work in progress	11,462	(3,020)
Decrease in other current assets	1,990	2,017
Increase in accounts payable and accrued expenses	1,152	2,926
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,808	2,140
INVESTING ACTIVITIES		
Acquisition of equity investment	(2,515)	(66)
Purchases of property and equipment	(1,588)	(1,304)
Proceeds from sale of property and equipment and equity investments	4	42
Other, net	(69)	-
NET CASH USED IN INVESTING ACTIVITIES	(4,168)	(1,328)
FINANCING ACTIVITIES		
Proceeds from and principal payments on short-term borrowings, net	(598)	-
Proceeds from and principal payments on revolving line of credit and long-term borrowings, net	(3,470)	(1,238)
Dividends paid	(271)	(244)
Issuance of common stock (1991-8,250 shares)	-	177
Treasury stock repurchases (1992-10,350 shares; 1991-15,250 shares)	(182)	(180)
NET CASH USED BY FINANCING ACTIVITIES	(4,221)	(1,485)
Effect of exchange rate changes on cash	(301)	(113)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	118	(786)
Cash and cash equivalents at beginning of period	7,706	7,711
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 7,824	$ 6,925

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
LAW COMPANIES GROUP, INC.

NOTE 1 - There have been no significant changes in the accounting policies of the Company during the periods presented. For a description of these policies, see Note 1 of Notes to Consolidated Financial Statements for the year ended December 31, 1991 in the Company's Form 10-K.

NOTE 2 - The unaudited condensed consolidated financial statements presented herein have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the Consolidated Financial Statements and Notes for the year ended December 31, 1991 included in the Company's Form 10-K. The accompanying condensed consolidated financial statements have not been audited by independent auditors in accordance with generally accepted auditing standards, but in the opinion of management such financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to summarize fairly the Company's consolidated financial position and results of operations. The results of operations for the three months ended March 31, 1992 may not be indicative of the results that may be expected for the year ending December 31, 1992.

NOTE 3 - During the first quarter of 1992 the Company renegotiated and amended certain loan facilities, and received a commitment to amend other loan facilities with its banks to provide approximately $60 million of borrowings. As of March 31, 1992, $43 million was outstanding under these agreements. The term loan agreements require quarterly payments of principal and interest commencing in June 1992. The revolving and term loan credit facility agreements contain certain restrictions relating to, among other things: maintaining current ratios at specified levels; minimum working capital requirements; maintaining debt within specified debt ratios and limits; and maintaining a minimum specified tangible net worth.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table sets forth, for the three month periods indicated, (i) the percentage of net fees represented by certain items reflected in the Company's condensed consolidated statements of income and (ii) the percentage increase or decrease in each of such items from the comparable period in the prior year. The Company measures its operating performance on the basis of net fees since a substantial portion of gross fees flow through to clients as costs of subcontractors and other project specific outside services. Net fees are determined by deducting the cost of these outside services from gross fees. This table and the subsequent discussion should be read in conjunction with the condensed consolidated financial statements and notes to condensed consolidated financial statements contained elsewhere in this Form 10-Q.

	Three Month Periods Ended		Year to Year Percentage Increase (Decrease)
	March 31 1992	March 31 1991	1992 vs 1991
Net fees	100.0%	100.0%	5.2%
Gross profit	62.8%	62.4%	5.8%
Indirect costs and expenses	61.1%	59.7%	7.6%
Operating income	1.7%	2.7%	(35.2)%
Net income	-	.4%	(97.8)%

Results of Operations

Consolidated net fees of $71.6 million in the first three months of 1992 represent a 5% increase over net fees of $68.1 million for the comparable period in 1991. This increase was primarily due to the continued growth in the International Group, although each Group contributed to the total growth as discussed in the following paragraph.

The Engineering Group's net fees increased 5.4% over the first three months of 1991. An economic correction in the United States construction industry which began in 1990 has impacted the growth in demand for certain of the Group's services. However, the Company believes that this Group is properly positioned to take advantage of existing markets and to offer new services, thereby maintaining steady growth. The increase in the Environmental Group's net fees of 1.2% over first quarter 1991 levels shows a leveling of the demand for the Company's domestic environmental

services which had experienced significant growth over the past three years. This demand, which in the past was fueled by public awareness, legislation and regulatory action, and the fear of potential liability related to noncompliance with environmental requirements, has been somewhat stemmed by the economic downturn causing clients to release projects at a slower rate. The International Group's net fees for the first three months of 1992 reflect an increase of 8.7% over the first quarter of 1991. The services provided by the International Group continue to experience strong demand, leading to a steady increase in volume of business. This increase is compounded by several large projects that are currently in process and are generating higher than average profit margins.

The gross profit margin increased slightly from 62.4% in the first quarter of 1991 to 62.8% in 1992. The increase is primarily attributable to the International Group where the gross profit margin increased from 51.3% in the first quarter of 1991 to 53.8% in the same period of 1992. This increase is due to the increase in the volume of business and the performance of the large projects mentioned earlier. The gross profit margin of the Engineering Group increased slightly from 66% to 67% from the first quarter of 1991 to the first quarter of 1992. The Environmental Group's gross margin remained unchanged at 68% for the first quarter of 1991 and 1992.

Indirect costs and expenses were $43.7 million, or 61.1% of 1992 first quarter net fees, compared with $40.6 million, or 59.7% of 1991 first quarter net fees, which represents an increase of 7.6% from 1991. The increase is the result of an increase in the non-labor component of indirect costs relative to net fees from 34.7% in 1991's first quarter to 36.6% in 1992.

The above factors combined to produce an operating margin of $1.2 million (2%) in the first quarter of 1992 versus $1.8 million (3%) for 1991's first quarter.

Interest expense decreased from $1.5 million in 1991's first quarter to $1.0 million for the same period of 1992. This was due primarily to lower interest rates combined with a reduction of debt in the International Group.

The effective income tax rates for the first three months of 1992 and 1991 were 40.5% and 42.1%, respectively. The effective tax rates were higher than the statutory federal rate of 34% due primarily to the effect of state income taxes.

Net income for the three months ended March 31, 1992 was $6,000 or less than $.01 per share. This compares with net income of $279,000, or $.10 per share, for the three months ended March 31, 1991.

Liquidity and Capital Resources

For the past three fiscal years, the Company has financed both the internal and external growth of the organization principally through cash generated by operations and bank financing. Projected cash flows are expected to be sufficient to service outstanding debt, as described below, and to provide cash to develop existing businesses.

Long-term Debt

The Company reported long-term debt of $43.9 million at March 31, 1992, compared to $48.7 million at the end of 1991. Long-term debt as a percentage of total capitalization amounted to 46% at March 31, 1992, compared to 49% at December 31, 1991. The decrease is due to lower exchange rates and more aggressive cash management, primarily in the International Group. In order to meet internal capital requirements and provide for long-term funding of the Gibb acquisition, the Company, during the first quarter of 1992, renegotiated and amended certain loan facilities, and received a commitment to amend other loan facilities with its banks to provide approximately $60 million of borrowings. As of March 31, 1992, $43 million was outstanding under these agreements. The term loan agreements require quarterly payments of principal and interest commencing in June 1992. The revolving and term loan credit facility agreements contain certain restrictions relating to, among other things: maintaining current ratios at specified levels; minimum working capital requirements; maintaining debt within specified debt ratios and limits; and maintaining a minimum specified tangible net worth. Cash generated by operations is expected to decrease the debt throughout the second, third and fourth quarters of 1992. The Company is of the opinion that sufficient capital resources are available to meet both short-term needs and long-term goals.

Cash Provided by Operations

Cash provided by operations for the first quarter of 1992 was $6.2 million, as compared to cash provided by operations of $2.3 million for the first quarter of 1991. The increase is reflective of the Company's focus on cash and working capital management in 1992.

Acquisitions

Substantially all of the remaining contingent consideration payments related to the 1989 Gibb acquisition were made in 1991. The funding was $4.7 million in 1990, net of cash acquired upon execution of an option to acquire the Gibb businesses in Africa, and $8.0 million in 1991. In the first quarter of 1992, the Company funded the first installment of approximately $2.1 million related to the acquisition of a 20% interest in a Spanish

consulting engineering firm. The final installment of approximately $.5 million is due in December 1993.

Capital Expenditures

The Company's operations are primarily dependent upon professional services and as such are not capital intensive. The Company invested $1.6 million in capital spending during the three months ended March 31, 1992. This amount compares to $1.3 million in the comparable 1991 period. In order to continue to enhance productivity and potentially increase revenue, the Company will continue to purchase furniture and fixtures and computer related equipment as needs arise. The Company currently has no material commitments for purchases of additional equipment.

Shareholders' Equity

The translation of the Company's foreign subsidiaries' financial statements into U.S. dollars is done in multiple steps. First, all foreign operations are measured in the functional currencies of the foreign subsidiaries' economic environments by utilizing a combination of current, average and historic exchange rates, with translation impacts being included in income. Then the foreign subsidiaries' functional currency financial statements are translated into U.S. dollars, the Company's reporting currency, utilizing current and average exchange rates, with the resulting translation adjustment included in the cumulative foreign currency translation adjustment account as part of shareholders' equity. Due to the strengthening of the U.S. dollar relative to the foreign operations' functional currencies, principally the pound sterling, the Company's foreign currency translation adjustment has shifted from an increase in shareholders' equity of $41,000 at December 31, 1991 to a decrease in shareholders' equity of $131,000 at March 31, 1992.

During the first quarter of 1992 the Company paid cash dividends of $.10 per share. This dividend represents an 11% increase over the first quarter of 1991 dividend of $.09 per share. Annual dividend payments are generally restricted by the revolving and term loan credit agreements to 12.5% of the preceding year's consolidated net income.

PART II. OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Company during the quarter ended March 31, 1992.

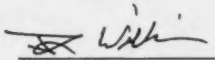
EXHIBIT 11
LAW COMPANIES GROUP, INC.
COMPUTATION OF EARNINGS PER SHARE
(in thousands, except per share data)

	For the Quarter Ended	
	March 31, 1992	March 31, 1991
Net Income	$ 6	$ 279
Average number of shares of capital stock outstanding	2,708	2,717
Average number of shares of unearned restricted stock outstanding, net of earned shares	(11)	(37)
Assuming exercise of options based on the treasury stock method using average market price	107	45
Average number of primary shares of capital stock outstanding	2,804	2,725
Primary earnings per share	$ Nil	$ .10
Average number of shares of capital stock outstanding	2,708	2,717
Average number of shares of unearned restricted stock outstanding, net of earned shares	(11)	(37)
Assuming exercise of options based on the treasury stock method using previous year end market price	107	45
Average number of shares of capital stock outstanding assuming full dilution	2,804	2,725
Fully diluted earnings per share	$ Nil	$ .10

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant, Law Companies Group, Inc., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LAW COMPANIES GROUP, INC.



Jimmy L. Williams
Chief Financial Officer and Treasurer

Dated: May 14, 1992